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OCI No. 4509
Copy No. 0

CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE
7 JULY 1953

NEW SOVIET REGIME STRESSES CONCILIATION

Since the death of Stalin, the new Soviet government has steadily modified many of the tactics characteristic of the past regime, both in internal and foreign policy. Although the evidence of tactical changes is mounting, there is no indication that the strategic objectives of the USSR under Stalin have shifted.

The Kremlin would still seem to be dedicated to: the consolidation and defense of the Soviet Orbit; the neutralization of US military power, particularly American superiority in atomic weapons; the weakening and disruption of the Western coalition and the isolation of the US from its allies; the reduction and ultimate elimination of Western, particularly American power and influence in Asia and the Far East; and the achievement of Communist control of or a major voice in Asian governments.

Current Soviet tactics, both in the "peace campaign" and in the conduct of internal affairs, are in general more intelligently designed than Stalin's to accomplish these objectives. The major changes affect certain policies apparently devised by Stalin that must have appeared to the new regime as unproductive and disadvantageous for Soviet foreign and domestic policies. Stalinist policies had kept international tensions dangerously strained, had contributed to creating greater cohesion among the Western powers, had proscribed the economic benefits of substantial trade with the West, and were resulting in unrest within the Orbit.

The rioting in East Germany may cause the Kremlin to pause in pursuing its new tactics, or at least to review them in the light of the apparent miscalculation in assessing their effects. Moscow reacted with repressive measures, which damaged its overall "peace" program, but nevertheless appears to be continuing a policy of making concessions to Orbit peoples despite any risk that they will be encouraged to make further demands.

The first three months of the new Soviet regime's foreign policy have been marked by a series of steps designed apparently to remove some sources of East-West tension. The conciliatory

State Dept. review completed

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Class. Changed To:	TS S C
Auth:	HR 70-2
Date:	17 JUL 1978
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gestures made thus far, however, have cost the USSR little. On the larger international issues, although the new regime has expended great effort to appear more conciliatory, there seems to be little possibility of any important substantive concessions other than a military truce in Korea.

In Korea, the Communists have not fully exploited South Korea's revolt against the UN command. The Kremlin probably still considers that a Korean truce is a sine qua non for the success of its over-all conciliatory tactics.

As long as the Korean war continues, the new Soviet regime is faced with the risk of an expanded or uncontrollable war which it probably does not desire at this time. Continuation of the war tends to maintain a high level of international tension. The necessity of providing material support directly to North Korea and to the Chinese Communists may have interfered with the new regime's desire to slacken the pressure on the Soviet people.

Without a truce there could be little hope for Soviet diplomatic efforts designed to dispel Western suspicions of Soviet intentions. Neither would it be possible to foster in the West a false sense of security tending to undermine rearmament programs. Continuation of the hostilities would hinder the development of an international climate in which latent differences among the major Western allies could reach serious proportions, and cause smaller nations to re-examine their participation in US-led coalitions.

A Korean truce would also immediately give rise to such questions as the future status of Formosa and UN membership for Communist China. These are issues on which US freedom of action has been sharply circumscribed and about which serious differences have already arisen between the US and its allies.

In Southeast Asia the Communist parties have been shifting since mid-1951 to greater emphasis on political as against military action. This is in line with the Kremlin's new strategy. Both the USSR and Communist China have made efforts to disassociate themselves from the Indochinese war, and the USSR apparently expects to be able to separate this limited "national liberation" struggle from the Korean question. This effort suggests that the Kremlin may desire to continue to exploit the weakness of the Western position in Indochina despite the fact that Communist military activities there would contradict its over-all conciliation campaign.

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The Kremlin's new tactics appear particularly aimed at driving a wedge between the US and Great Britain in order to destroy the center of the alliances around the Orbit periphery. The Pravda editorial of 24 May was cleverly designed to stress US-UK differences on policy toward Communist China, the advisability of preliminary conditions for a big power conference, and the scope of that conference.

With regard to its world-wide strategy, the USSR attempted to retain the initiative in the "peace offensive" by two major Pravda editorials (25 April and 24 May) answering President Eisenhower's call for "deeds" and Prime Minister Churchill's proposal for a high-level conference. The Kremlin has also undertaken unilaterally to improve its relations with certain countries, particularly on the Orbit periphery, and may plan to continue this approach toward lessening East-West conflicts rather than seek actual negotiations with the Western powers.

In Germany, the conciliatory measures instituted by the Kremlin in the Soviet zone are designed basically to alleviate conditions which were making the occupation and the communist regime thoroughly unpalatable. They have not involved a sacrifice of real Soviet control. The timing of the measures also suggests that they have a secondary purpose of fanning the sentiment for unification in West Germany, thus assisting the Kremlin's campaign to halt West German integration and to undercut the Adenauer government.

The Soviet leaders probably realized that the rapidity of East German socialization would either lead to economic and political catastrophe or would necessitate terroristic measures. The Kremlin may have foreseen that a number of disadvantages could arise from the application of such repressions in East Germany at this time, and attempted to avoid them.

The Kremlin could have reacted to the East German riots by abandoning its reform program. However, new reforms were announced by the East German government even during the widespread resistance. While the necessity of using military force to maintain Soviet control constitutes a serious setback to the "peace" campaign the Kremlin probably considers that it can still best serve its objectives in Germany by a gradual relaxation of the mailed fist after order is restored while continuing its tactics of conciliatory economic reforms.

There is still no indication that the USSR intends to make a play for German unity on terms acceptable to the West. The authoritative Pravda treatment of German issues suggests the contrary, and the recent disturbances in the Sovietzone have

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sharply limited Soviet maneuverability in any negotiations on Germany. In addition, the conciliatory Soviet measures adopted in East Germany are aimed at easing the Soviet position in a continued occupation of the area. The recent rioting has probably served to impress upon the Soviet leaders the danger of losing all of Germany in any relinquishment of their present controls in the Soviet zone.

Soviet moves in Austria have paralleled those in Germany, although on a less spectacular scale, and probably reflect the Kremlin's desire to offset the bad effects of its refusal to negotiate an Austrian treaty. They underline also the new flexibility of the Soviet rulers in giving diplomatic support to the more conventional tactics of past "peace offensives."

A new diplomatic finesse has also been visible in Soviet Balkan tactics which reveal the Kremlin's consciousness of the bankruptcy of the old policies of pressure and hostility. Moscow apparently hopes to stave off the drive for a Balkan pact and to lessen cooperation with NATO by ostensibly removing the reason for both. A subsidiary aim of the softer tactics toward Tito might be to arouse Western suspicions of the intentions of his regime.

In the Near East, a barter agreement recently concluded with Iran is reportedly being followed by negotiations for the settlement of all outstanding issues. Moscow's hint at a resumption of relations with Israel reflects the easing of the old regime's anti-Zionist campaign.

The Kremlin has also revealed a new awareness of the value of trade and trade propaganda as supports for its political efforts to undermine Western solidarity. Collateral aims are apparently those of securing a limited increase in trade with the West to supplement bloc production of industrial commodities still in short supply and of making available within the USSR a somewhat larger quantity of consumer goods.

Current Soviet bloc trade approaches are comparatively realistic, calling for trade expansion involving exports desired by the West which are well within bloc capabilities to deliver. Some 80 bilateral trade talks were initiated between the Soviet bloc and other countries following the Geneva meeting of the Economic Commission for Europe in mid-April. The Soviet trade approaches have already resulted in agreement for some expansion of East-West trade and have reinforced the insistence of some COCOM members on exceptions to previously agreed strategic controls.

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The Orbit's trade tactics are more skillfully tailored to the economic bargaining strength of the various Western European countries. While the bloc is adamant in demanding the delivery of strategic goods by Italy and Austria, it has recognized its weaker bargaining position with the Scandinavian countries by making some concessions on items subject to Western export controls.

The USSR is also employing the tactic of linking demands for strategic materials with the purchase of larger quantities of consumer goods, as in trade talks with France. Such tactics strike at vulnerabilities in the West European countries where producers of textiles and other consumer goods are having difficulties in finding markets. In addition, Orbit propaganda is exploiting European fears of higher US tariff walls.

Within the USSR, the new leaders are showing in many ways that they have a more liberal approach to the art of government than had Stalin. They appear to be attempting a reduction of governmental dependence on police and forced labor activities. In at least three republics there have been indications that Stalin's extreme Russification policy has been ostensibly, if not actually reversed in favor of national minority rights.

The press has revealed that original plan goals for producing consumer goods have been raised and are already being implemented. The delay in announcing the 1953 budget suggests a revamping of the Five-Year Plan with the possible abandonment of some costly long-term production projects.

These moves in no way add up to a democratization of the USSR or even to a diffusion of the political and economic authority concentrated at the top. They do indicate a greater flexibility in internal affairs than Stalin apparently felt was safe. It may be that Stalin's extreme emphasis on coercion, tension, and violence were the products of both his own personality and the times in which he rose to power.

In contrast, when the present leaders came to power they already had long backgrounds of administrative and technical experience, including in some cases, a formal technical education. Furthermore, today they rule a country which in comparison with the 1920's is far more industrialized and better educated. They may well consider that their more liberal approach to internal conditions and problems will provide their reign with greater stability, and that a rise in consumer goods will raise morale, make the incentive pay system more effective, and compensate by greater worker productivity for any temporary de-emphasis of military and heavy industrial production.

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With regard to the stability of the new Soviet government, the consistency of the present program argues that any power struggle in the Kremlin has been temporarily submerged beneath agreement among a majority of at least the top half dozen leaders.

The new Soviet government is still faced with problems of such magnitude that its stability in its present form is open to question. The necessity of maintaining internal dictatorial controls seriously limits the concessions which can be made to alleviate the widespread strains and stresses resulting from the relentless pursuit of communist objectives. However, popular pressure appears insufficient to threaten the government. It would appear that the greatest danger to the collective leadership stems from within - the necessity to rule in concert, restrain the supposed propensity for individual political maneuvering and effect a transfer of power with a minimum of friction in the event that the apparent balance in the collective leadership is tilted by the death of a colleague. Serious setbacks to important Soviet policies, such as the apparent miscalculation in East Germany, could have repercussions in the Kremlin affecting the position of any member of the top leadership.

In Eastern Europe Satellite regimes in Albania, Rumania, and particularly in Hungary, are making concessions reflecting the basic differences in approach between the new Soviet regime and the old.

The sweeping reorganization of the Hungarian government and top party leadership, accompanied by the announced intent of the new regime to slowdown the tempo of socialization and relax its harsh coercive policies, is unparalleled in postwar Soviet-dominated Eastern Europe and may be indicative of a sharp change in Soviet tactics throughout the Orbit. While the shakeup can be partially explained by Hungary's critical economic situation and growing popular discontent, the nature and extent of the changes appear to reflect the Kremlin's decision to adapt its more moderate policies to its Eastern European Satellites and to install a leadership which it considers more capable of instituting these policies.

This is in marked contrast to the currency reform and abolition of rationing in Czechoslovakia on 30 May which practically wiped out savings and reduced purchasing power from current income approximately 15 to 40 percent. The spontaneous strikes and demonstrations which these drastic measures precipitated in Czechoslovakia highlight the increasing current of unrest in Eastern Europe. These demonstrations, followed by even more

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serious riots in East Germany, have undoubtedly given new impetus to Satellite restlessness and could lead to spontaneous outbreaks and demonstrations elsewhere in Eastern Europe.

While such disorders, like those in Czechoslovakia, can be contained by the security forces, any further show of resistance will prove that the Soviet grip on Eastern Europe still rests on the presence or close proximity of Soviet military power. It will also disclose, to the Kremlin as well as to the outside world, that the techniques of Sovietization as developed under the Stalin regime have not operated to secure the loyalty of the Orbit peoples to the USSR.

In conclusion, the new Soviet regime has clearly displayed considerably greater flexibility than its predecessor in developing milder methods in the conduct of foreign and internal governmental relations to achieve the USSR's continuing objectives.

It probably considers that with an end to the fighting in Korea, new pressures will be released on the US from its allies for relaxation of trade controls, four power negotiations, and "stretch-outs" in rearmament and NATO planning. Moscow probably hopes to be able to postpone serious discussions until pressure and frictions accumulate throughout the non-Communist world, while Soviet propagandists attempt to prove US unwillingness to cooperate in reducing tension. The current high volume of propaganda devoted to the bright prospects of expanded East-West trade will reinforce West European interest in political talks.

It would seem that the Soviet leaders for some time will not deem it necessary to do more than to repeat assurances of willingness to negotiate with the West and meanwhile to adjust bilaterally disputes with some nations, particularly on the Orbit periphery. There is little to indicate a willingness to make the broad compromises necessary to achieve a basic solution to major political problems.

Available evidence does not suggest that the present position of the new regime is so critical that it has been forced to adopt its present conciliatory tactics. Nor is there evidence of decisive changes in the relative capabilities and vulnerabilities of the Soviet Orbit and the West which would impel Moscow to negotiate a general settlement. Nevertheless, the riots in East Germany and the widespread unrest in the Satellites would seem to reinforce the motivation for a detente which would afford the new regime in the Kremlin an opportunity to consolidate its position in the Orbit under more favorable conditions.

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CHRONOLOGY

March

- 5 Mar 53 Stalin's death announced. Soviet propaganda media temporarily dropped coverage of foreign affairs.
- 6 Mar 53 Malenkov's succession and Soviet Government reorganization announced.
- 10 Mar 53 Moscow announced the appointment of Deputy Foreign Minister V. V. Kuznetsov as Ambassador to Communist China.
- 15 Mar 53 Basic governmental reorganization completed at meeting of Supreme Soviet, simplifying structure and placing responsibility in fewer hands.
- 15 Mar 53 Malenkov, addressing the Supreme Soviet, omitted attacks on the US and stated that "at the present moment there is no controversial or outstanding problem that could not be settled in a peaceful way on the basis of mutual agreement by the interested countries." He specifically included relations with the US.
- 18 Mar 53 Soviet Commander Chuikov in Germany proposed an Anglo-Soviet meeting to discuss air corridor regulations in order to avert further incidents.
- 21 Mar 53 First shift in Soviet propaganda line noted in Pravda on the possibility of peaceful coexistence of capitalism and socialism, and recalled US-British-USSR "vigorous cooperation" during World War II.
- 25 Mar 53 USSR granted visas to ten US editors to visit Moscow for one week.
- 27 Mar 53 Soviet Government announced a sweeping amnesty for convicts serving less than five year terms, estimated as affecting upwards of 1,000,000 people.
- 30 Mar 53 Chou En-lai proposed repatriation of all prisoners desiring to be released, with the disposition of the remainder to be decided by neutral states.

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31 Mar 53 The Soviet Government cut consumer prices of food and clothing 15%.

31 Mar 53 USSR agreed to appointment of Dag Hammarskjold as new UN secretary general.

April

1 Apr 53 Vyshinsky agreed in the UN to discuss disarmament and atomic energy control on the basis of the Western position. Not implemented.

1 Apr 53 Molotov pledged "full assistance" to bring about a Korean armistice.

4 Apr 53 The 15 doctors accused in January of plotting the assassination of Soviet leaders have been freed and the charges against them dropped. MVD says the accusers of the medical group were brought to justice.

4 Apr 53 Rumanian amnesty decree announced.

4 Apr 53 Molotov expressed willingness to intercede with the North Koreans on behalf of American civilian internees, having previously given similar assurances to the British and French.

7 Apr 53 The Central Committee (CPSU) released Semyon D. Ignatiev from his duties as secretary of the committee.

8 Apr 53 At the Berlin air corridor meeting, the USSR proposed a new corridor arrangement but made only limited compromises. Negotiations stalemated.

13-17 Apr 53 Soviet delegate to UN-sponsored Geneva talks on East-West trade proposed an expansion of 20 percent in Soviet trade with Western Europe. He suggested Soviet exports of grains, timber, coal, petroleum, manganese ore and asbestos in exchange for such Western items as ships, metals and industrial equipment, largely subject to Western controls.

15 Apr 53 Georgian Supreme Soviet convened to institute a widespread reorganization of the government. Those conducting the 1952 reorganization have been purged and the Georgian MGB has been accused of fabricating many of the original accusations with the connivance of Party and Government leaders.

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- 16 Apr 53 Pravda sharply denounced the principle of "one man decisions" in the leadership of the Communist Party.
- 17 Apr 53 Communist and UN commands agreed to discuss resumption of full-scale negotiations for a Korean armistice.
- 18 Apr 53 Bilateral trade discussions at Geneva began between individual Soviet bloc and Western countries.
- 20 Apr 53 During Ambassador Bohlen's presentation of credentials, Deputy Foreign Minister Pushkin expressed complete agreement with Bohlen's remark that a truce in Korea is essential to any improvement in the world situation.
- 25 Apr 53 Pravda, in an effort to regain the initiative in the "peace offensive" through strong appeal to world opinion, published an editorial on foreign policy replying to President Eisenhower's address.
- 27 Apr 53 Molotov and Chou En-lai replied to the Commission of the Congress of Peoples for Peace, endorsing a proposal to negotiate a Five Power Peace Pact. All of the Satellites made similar replies.
- 28 Apr 53 Viet Minh forces continued their penetration of northern Laos on a more extensive scale than anticipated.
- 29 Apr 53 Molotov received a Yugoslav representative for the first time since the 1948 break.
- May
- 1 May 53 Viet Minh forces begin withdrawal from Laos.
- 4 May 53 Czechoslovak amnesty decree, similar to, but less liberal than those of the USSR and Rumania.
- 15 May 53 Czech government released American correspondent Oatis.
- 22 May 53 Czechoslovak buying panic resulting from rumors of currency reform.

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24 May 53 A second major Pravda editorial answered Churchill's call for a four-power conference and appeared designed to aggravate differences among the Western powers and to create pressure in Western Europe for a conference with the USSR without preliminary conditions.

25 May 53 USSR rejected the Western invitation to resume talks on an Austrian treaty.

26 May 53 Slansky's accomplices sentenced in Czechoslovakia, but no anti-Western propaganda exploitation of the event.

28 May 53 Moscow replaced its military control commission in Germany by Semenov, a civilian as High Commissioner.

30 May 53 Announcement of severe Czech currency reform which eliminated over 80% of personal savings and cut wages by 15-40%. USSR renounced the Soviet 1945 territorial claim on Turkey and expressed optimism on a Straits agreement.

May-June Trade negotiations between USSR and France, Denmark and Greece indicated that agreements for at least a doubling of the low 1952 levels of trade with those countries will be concluded. Bloc countries bargained for Western strategic goods, but showed some willingness to take larger quantities of consumer items.

May-June Emphasis on production of consumer goods in USSR noted in Press.

June

1-5 June 53 Widespread demonstrations, riots, work slowdowns, and other protests against the currency reform occurred in Czechoslovakia.

4 June 53 Communists at Panmunjom accepted some UN truce proposals, but made a compromise counter-proposal on the crucial issue of final disposition of prisoners.

6 June 53 USSR requested Yugoslav agreement for assignment of a Soviet Ambassador to Belgrade.

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- 8 June 53 Soviet authorities in Vienna announced that restrictions on the movement of goods and persons across the zonal borders in Austria would be lifted.
- 9 June 53 Japanese Government reported Soviet concessions in barter deal with Japanese firms.
- 10 June 53 USSR appointed I. I. Ilyichev as new Soviet high commissioner and ambassador for Austria.
- 11 June 53 East German government suspended its program of "rapid socialization."
- 12 June 53 L. G. Melnikov removed as first secretary of the Ukrainian Communist Party and criticized for harsh Russification policy.
- 14 June 53 USSR reportedly approached the Israeli Legation in Sofia regarding resuming relations.
- 17 June 53 Widespread rioting began throughout East Germany.
- 18 June 53 Central Committee of the Lithuanian Communist Party convened to correct distortions in the Soviet nationality policy.
- 18 June 53 In Korea, the Communists and UN Command had almost reached agreement on armistice terms.
- 20 June 53 Communist negotiators demanded recovery of over 27,000 North Korean prisoners released since 17 June.
- 22 June 53 Albania cancelled accumulated peasant debts for the years 1949-1952, a reversal of previous harsh agricultural policy.
- 23 June 53 Bulgaria agreed to negotiate border problems with Greece.
- 24 June 53 Announcement of Soviet State Loan amounting to only half of those floated in 1951 and 1952.
- 28 June 53 Hungarian editorial severely criticized officials responsible for harsh 1952 crop collection quotas.

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29 June 53 Molotov reportedly affirmed Moscow's willingness to settle outstanding differences with Iran.

June 53 Satellite propaganda since Stalin's death continued to be anti-US, on a somewhat muted scale.

June 53 Minor incidents continued along Satellite frontiers with Yugoslavia and Greece.

June 53 The absence of many high-level Soviet diplomats in Moscow suggests that important policy talks are being held.

Late June 53 Molotov rebuffed Austrian overtures to discuss the return of Soviet-held factories and to explore the prospects of a state treaty.

4 July 53 Hungarian government reorganization and announcement of significant relaxation in socialization program.

4 July 53 Vyshinsky told Ambassador Bohlen that an armistice in Korea was of the greatest importance and expressed his conviction that the US would be able to overcome its difficulties with the South Korean government.

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